



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

[Transmittal No. 18-01]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense.

ACTION: Arms sales notice.

SUMMARY: The Department of Defense is publishing the unclassified text of an arms sales notification.

FOR FURTHER INFORMATION CONTACT: Pamela Young, (703) 697-9107, pamela.a.young14.civ@mail.mil or Kathy Valadez, (703) 697-9217, kathy.a.valadez.civ@mail.mil; DSCA/DSA-RAN.

SUPPLEMENTARY INFORMATION: This 36(b)(1) arms sales notification is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996. The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 18-01 with attached Policy Justification and Sensitivity of Technology.

Dated: March 6, 2018.

Aaron Siegel,

Alternate OSD Federal Register Liaison Officer,

Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY

201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

FEB 20 2018

The Honorable Paul D. Ryan
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 18-01, concerning the Army's proposed Letter(s) of Offer and Acceptance to the Government of Sweden for defense articles and services estimated to cost \$3.2 billion. After this letter is delivered to your office, we plan to issue a news release to notify the public of this proposed sale.

Sincerely,

A handwritten signature in black ink, appearing to read "C. W. Hooper", is written over a horizontal line.

Charles W. Hooper
Lieutenant General, USA
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology

Transmittal No. 18-01

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

(i) Prospective Purchaser: Government of Sweden

(ii) Total Estimated Value:

Major Defense Equipment*	\$2.3 billion
Other	<u>\$.9 billion</u>
TOTAL	\$3.2 billion

(iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: Four (4) Patriot Configuration-3+ Modernized Fire Units consisting of:

Major Defense Equipment (MDE):

Four (4) AN/MPQ-65 Radar Sets
Four (4) AN/MSQ-132 Engagement Control Stations
Nine (9) Antenna Mast Groups
Twelve (12) M903 Launching Stations
One hundred (100) Patriot MIM-104E Guidance Enhanced Missile Tactical Ballistic Missile (GEM-T) Missiles
Two hundred (200) Patriot Advanced Capability-3 (PAC-3) Missile Segment Enhancement (MSE) Missiles
Four (4) Electrical Power Plants (EPP) III

Non-MDE includes:

Also included with this request are communications equipment, tools and test equipment, range and test programs, support equipment to include associated vehicles, prime movers, generators, publications and technical documentation, training equipment, spare and repair parts, personnel training, Technical Assistance Field Team (TAFT), U.S. Government and contractor technical, engineering, and logistics support services, Systems Integration and Checkout (SICO), field office support, and other related elements of logistics and program support.

(iv) Military Department: Army

(v) Prior Related Cases, if any: None

(vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None

(vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Attached Annex.

(viii) Date Report Delivered to Congress: February 20, 2018

*As defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Sweden – Patriot Configuration-3+ Modernized Fire Units

The Government of Sweden has requested to buy four (4) Patriot Configuration-3+ Modernized Fire Units consisting of: four (4) AN/MPQ-65 radar sets, four (4) AN/MSQ-132 engagement control stations, nine (9) antenna mast groups, twelve (12) M903 launching stations, one hundred (100) Patriot MIM-104E Guidance Enhanced Missile-TBM (GEM-T) missiles, two hundred (200) Patriot Advanced Capability-3 (PAC-3) Missile Segment Enhancement (MSE) missiles, and four (4) Electrical Power Plants (EPP) III. Also included with this request are communications equipment, tools and test equipment, range and test programs, support equipment to include associated vehicles, prime movers, generators, publications and technical documentation, training equipment, spare and repair parts, personnel training, Technical Assistance Field Team (TAFT), U.S. Government and contractor technical, engineering, and logistics support services, Systems Integration and Checkout (SICO), field office support, and other related elements of logistics and program support. The total estimated program cost is \$3.2 billion.

This proposed sale will support the foreign policy and national security objectives of the United States by helping to improve the security of a strategic partner which has been, and continues to be, an important force for political stability and economic progress within the Baltic Sea region and across Europe.

The proposed sale of the Patriot missile system will improve Sweden's missile defense capability. Sweden will use the Patriot system to defend its territorial integrity and promote regional stability. The proposed sale will increase the defensive capabilities of the Swedish military and support interoperability with U.S. and NATO forces. Sweden will have no difficulty absorbing this equipment into its armed forces.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The prime contractors will be Raytheon Corporation in Andover, Massachusetts, and Lockheed-Martin in Dallas, Texas. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require approximately 24 U.S. Government and 32 contractor representatives to travel to Sweden for an extended period for equipment de-processing/fielding, system checkout, training, and technical and logistics support.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Transmittal No. 18-01

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act

Annex
Item No. vii

(vii) Sensitivity of Technology:

1. The Patriot Air Defense System contains classified CONFIDENTIAL hardware components, SECRET tactical software and CRITICAL/SENSITIVE technology. Patriot ground support equipment and Patriot missile hardware contain CONFIDENTIAL components and the associated launcher hardware is UNCLASSIFIED. The items requested represent significant technological advances for Sweden Patriot. The Patriot Air Defense System continues to hold a significant technology lead over other surface-to-air missile systems in the world.
 2. The Patriot sensitive/critical technology is primarily in the area of design and production know-how and primarily inherent in the design, development and/or manufacturing data related to certain components. The list of components is classified CONFIDENTIAL.
 3. Information on system performance capabilities, effectiveness, survivability, missile seeker capabilities, select software/software documentation and test data are classified up to and including SECRET.
 4. If a technologically advanced adversary were to obtain knowledge of the hardware and software elements, the information could be used to develop countermeasures or equivalent systems which might reduce system effectiveness or be used in the development of a system with similar or advanced capabilities.
 5. A determination has been made that Sweden can provide substantially the same degree of protection for the sensitive technology being released as the U.S. Government. This sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification.
 6. All defense articles and services listed in this transmittal have been authorized for release and export to Sweden.
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